



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-891]

Carbon and Alloy Steel Wire Rod from the Republic of Korea: Final Affirmative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) determines that imports of carbon and alloy steel wire rod (wire rod) from the Republic of Korea (Korea) are being, or are likely to be, sold in the United States at less than fair value (LTFV). In addition, we determine that critical circumstances do not exist with respect to imports of the subject merchandise. The period of investigation (POI) is January 1, 2016, through December 31, 2016.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Lingjun Wang, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2316.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Determination* of sales of wire rod from Korea at LTFV in the *Federal Register* on October 31, 2017.¹ On November 7, 2017, Commerce postponed the final determination of this investigation.² On November 28, 2017, Commerce amended the *Preliminary Determination*.³ Commerce exercised its discretion to toll deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final determination of this investigation is now March 19, 2018.⁴

A summary of the events that occurred since the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the accompanying Issues and Decision Memorandum, which is adopted by this notice.⁵

Scope of the Investigation

The product covered by this investigation is wire rod from Korea. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

During the course of this investigation, Commerce received scope comments from interested parties. Prior to the *Preliminary Determination*, Commerce issued a Preliminary

¹ See *Carbon and Alloy Steel Wire Rod from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, and Preliminary Negative Determination of Critical Circumstances*, 82 FR 50386 (October 31, 2017) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

² See *Carbon and Alloy Steel Wire Rod from Italy, the Republic of Korea, Spain, Turkey, and the United Kingdom: Postponement of Final Determinations of Less-Than-Fair-Value Investigation and Extension of Provisional Measures*, 82 FR 51613 (November 7, 2017).

³ See *Carbon and Alloy Steel Wire Rod from the Republic of Korea: Amended Preliminary Determination of Sales at Less Than Fair Value*, 82 FR 56220 (November 28, 2017).

⁴ See January 23, 2018 Memorandum re: Deadlines Affected by the Shutdown of the Federal Government (Tolling Memorandum). All deadlines in this segment of the proceeding have been extended by 3 days.

⁵ See Memorandum re: Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Korea, dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

Scope Decision Memorandum to address these comments.⁶ Since the *Preliminary Determination*, POSCO, British Steel, and the petitioners filed scope case and rebuttal briefs.⁷ On November 20, 2017, we issued the Final Scope Memorandum in which we did not change the scope of this investigation.⁸

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of these issues is attached to this notice at Appendix II. The Issues and Decision Memorandum is a public document, and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in November 2017, we verified the sales and cost information reported by POSCO for use in our

⁶ See August 7, 2017 Memorandum re: Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determinations (Preliminary Scope Memorandum).

⁷ The petitioners are Gerdau Ameristeel US Inc., Nucor Corporation, Keystone Consolidated Industries, Inc., and Charter Steel (collectively, the petitioners). See POSCO's September 6, 2017 Letter re: Scope Issues Case Brief, British Steel's September 6, 2017 Letter re: Scope Case Brief, and the petitioners' September 13, 2017 Letter re: Rebuttal Brief in Response to the Scope Case Briefs of British Steel and POSCO.

⁸ For discussion of these comments, see November 20, 2017 Memorandum re: Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum (Final Scope Memorandum).

final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by POSCO.⁹

Changes Since the Preliminary Determination

Based on our analysis of comments received and our findings at verification, we made certain changes to the margin calculation for POSCO. For a discussion of these changes, *see* the “Margin Calculation” section of the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters shall be equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding rates that are zero, *de minimis* margins or determined entirely under section 776 of the Act. POSCO is the only respondent for which Commerce calculated an estimated weighted-average dumping margin that is not zero, *de minimis*, or based entirely on facts otherwise available. Therefore, for purposes of determining the “all-others” rate and pursuant to section 735(c)(5)(A) of the Act, we are using the estimated weighted-average dumping margin calculated for POSCO, as referenced in the “Final Determination” section below. This rate is 41.10 percent.

Final Negative Determination of Critical Circumstances

⁹ For discussion of our verification findings, *see* January 12, 2018 Memorandums, “Verification of the Cost Response of POSCO in the Antidumping Duty Investigation of Carbon and Alloy Steel Wire Rod from Korea,” “Verification of the Sales Response of POSCO in the Antidumping Duty Investigation of Carbon and Alloy Steel Wire Rod from Korea” and “Verification of the CEP Sales Response of POSCO in the Antidumping Duty Investigation of Carbon and Alloy Steel Wire Rod from Korea.”

For the *Preliminary Determination*, Commerce preliminarily found that critical circumstances do not exist with respect to imports of wire rod from POSCO and “all other” producers and exporters of subject merchandise.¹⁰ In this final determination, Commerce continues to find that, in accordance with 735(a)(3) of the Act, critical circumstances do not exist for POSCO and “all other” producers and exporters in this investigation. A discussion of the determination can be found in the “Critical Circumstances” section of the Issues and Decision Memorandum.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
POSCO	41.10
All-Others	41.10

Disclosure

We intend to disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U. S. Customs and Border Protection (CBP) to suspend liquidation of all entries of wire rod from Korea, as described in Appendix I to this notice, which were entered, or withdrawn

¹⁰ See *Preliminary Determination* at 50387.

from warehouse, for consumption on or after October 31, 2017, the date of publication in the Federal Register of the affirmative *Preliminary Determination*).

Furthermore, Commerce will instruct CBP to require a cash deposit for such entries of merchandise. Pursuant to section 735(c)(1)(B)(ii) of the Act, CBP shall require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as follows: (1) For POSCO, the cash deposit rate will be equal to the estimated weighted-average dumping margin which Commerce determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, then the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the producer of the subject merchandise; (3) the cash deposit rate for all other producers or exporters will be 41.10 percent, as discussed in the “All-Others Rate” section, above.

The instructions suspending liquidation will remain in effect until further notice.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of our final determination of sales at LTFV and final negative determination of critical circumstances for Korea. Because Commerce’s final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of wire rod from Korea no later than 45 days after this final determination, in accordance with section 735(b)(2) of the Act. If the ITC determines that such injury does not exist, the proceeding will be terminated and all cash deposits posted will be refunded or cancelled. If the ITC determines that such injury exists, Commerce will issue an antidumping

duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: March 19, 2018.

Appendix I

Scope of the Investigation

The products covered by this investigation are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Critical Circumstance
- IV. Scope of the Investigation
- V. Scope Comments
- VI. Final Determination of No Sales For STINKO
- VII. Final Determination of Affiliation and Collapsing
- VIII. Changes to the Margin Calculation
- IX. Discussion of the Issues:
 - Comment 1: Whether to Apply AFA to POSCO Because Its Weighted-Average CONNUM-Specific Cost Database is Unreliable
 - Comment 2: Whether to Apply AFA to POSCO because It Failed to Report All of Its U.S. Sales
 - Comment 3: Whether Commerce Should Use Additional Product Characteristics for Model Match
 - Comment 4: U.S. Credit Expense (CREDITU)
 - Comment 5: Whether POSCO Reported the Appropriate Indirect Selling Expense Incurred in the United States (INDIRS1U)
 - Comment 6: Indirect Selling Expense Incurred in the Home Market (DINDIRS2U)
 - Comment 7: Whether POSCO Failed to Report that Its Sale to Company B Was an Affiliated Sale
 - Comment 8: Negative Credit Expenses of Home Market Sales
 - Comment 9: SAS Syntax for Capping Home Market Freight Expenses
 - Comment 10: Whether to Include Interest from Late Payment Interest in the Interest Expense (INTEX) Calculation
- X. Recommendation

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